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Office of
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Major News Releases and Speeches

Sept. 30 - Oct. 7, 1983

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Remarks

U.S. Department of Agriculture • Office of Governmental and Public Affairs

Prepared for delivery by Secretary of Agriculture John R. Block before the Newspaper Farm Editors of America in Des Moines, Iowa, Sept. 30.

It's good to see you again. As usual, I see a lot of familiar faces ... and they bring back good memories of when many of you and I crossed paths in the past.

In Washington, of course, I found myself working with quite a few new faces in the press. And I have to give credit—they do a tremendous job getting information out to where it belongs. They're a nice group of people to work with, and I must say they make my job easier ... most of the time.

Still, I won't hesitate to say that when I talk with you, it's like going home. I continue to admire your work ... I'm proud of the relationship we have ... and I sincerely hope it will continue.

No one more than you has been aware of the changes we have seen in agriculture over the years—changes that none of us could anticipate. As we look back over this time period, most of us in agriculture have to concede that we weren't very good in predicting the future.

We didn't predict the wild demand for farm products in the '70s which sent commodities prices soaring. And we didn't predict the Soviet embargo ... the drought of '80 ... bumper crops in '81 and '82 ... world-wide recession ... the increasing value of the dollar ... and then came 1983. Just look at what happened.

We entered the year with record surpluses. And then, PIK entered the scene in '83. It was also during this year that we negotiated a new long-term trade agreement with the Soviet Union. And finally, we suffered one of the most severe drought this nation has seen on a national basis since the mid '30s.

It has been quite a year. A year of change. A year of challenge to all of us. It has all helped put agriculture on the front page these days, either on its own or tied in with other major news stories. Let's look at some examples.

Russian Grain Agreement

Even the shocking action by the Soviets in shooting down the Korean passenger plane touched agriculture. Some people—fortunately very few people—asked that we break the newly signed grain agreement.

We didn't, of course. And for a very good reason. President Reagan, unlike those before him, was able to view the agreement as part of a long-term picture. He knew that the ill-advised embargo of 1980 was a total failure ... the Soviets got their grain anyway ... and the American farmer suffered the consequences. We weren't about to repeat history and shoot ourselves in the foot again.

The point is—this agreement is good for American farmers ... it's good for American agriculture ... and that means it is good for this country as a whole.

Equally important, the agreement opens possibilities for selling a wide range of other agricultural products to the Soviet Union. It re-establishes our credibility as a reliable supplier—not only to the Soviets, but to the entire world.

Being a reliable supplier of food to countries around the world is probably the most important way we can effectively use agriculture as an instrument of peace.

I've toured many countries. I've hosted ministers of agriculture from around the world on my farm. We talk ... we exchange views ... and each time the message comes through in resounding clarity. The international dimensions of American agriculture are awesome. It is a challenge and a responsibility which must be dealt with accordingly. We cannot throw it away, as it was once thrown away before.

Drought

The biggest story in agriculture these days—and the saddest to me as a farmer—continues to be the drought.

The situation is serious. There's no doubt about it. But we can be thankful that its effect on farmers is not as severe as it could have been. The PIK program, Federal Crop Insurance and our Farmers Home Emergency Loan program have helped blunt the impact.

I am certain you are aware of the additional action taken this past week with our Farmers Home Emergency Loan program. What we did, of course, was to apply a five percent interest rate on the first $100,000 that an eligible farmer borrows in this loan program. This applies to those farmers most in need—those who have exhausted efforts to obtain loans elsewhere. Formally, the interest rate was eight percent.

I know there are those who would like to see more done by the government to assist those affected by the drought. But I believe this would be the case regardless of how much assistance we provided. This is why we had to draw the line where we did. And everything considered, I believe it was a generous line.

Food Prices

The effects of the drought on food prices will not be as severe. It will have only a slight affect on what consumers pay in the supermarket. Before the drought, we had predicted a four to five percent increase for 1983. The drought has caused that prediction to go up another percent and a half.

Not much, considering the extent of the drought. In fact, food is still going to remain a real bargain in this country—this year and again in 1984. It is still a strong weapon in the war on inflation.

PIK

Now let me say a few words about the PIK program. And I won't hesitate to say that—despite the words which result from partisan politics—the program has been an outstanding success. It is doing the job it was created to do—bring supply and demand into closer balance.

PIK has already helped bring a turnaround in farm prices and the farm economy, and this is in addition to achieving its original goal of reducing the government's swollen grain reserve and encouraging conservation practices. All you have to do is take a look around the countryside this year to see the contribution that this program has made to conservation.

We estimate PIK will save the government over $3 billion in carrying costs such as storage and interest through 1986. Even after adding acquisition costs, it is expected to reduce total government

outlays for commodity programs by over $9 billion from Fiscal Year 1983 through FY 1986.

It is important to also remember that of the five commodities covered by PIK—wheat, corn, sorghum, rice and cotton—we have more than enough in storage to meet domestic needs and fulfill our export commitments.

Long-Term Policy

Keep in mind—and this is especially important as you report on farm policy news—we must not allow a preoccupation with the drought or PIK or exports to overshadow the need for a comprehensive long-term agricultural policy.

Farm programs are projected to cost at least $18 billion this year. That is too high by any standards. As far as I am concerned, we can't act too quickly to get that situation turned around and heading in the right direction.

Budget controls and less spending are still critical to full economic recovery. This is why the concerns of agriculture are tightly interwoven with the economic policy of our nation.

We all recognize the need to minimize market interference. But, this does not mean that government would totally abandon agriculture.

We also recognize a public responsibility to share the farmer's risk. But that role cannot embrace absolute price protection without regard to the marketplace. That is what we have now for dairy. We are fast approaching it for grains and cotton. And it doesn't work.

It is often assumed that target prices have no impact on markets. But there is growing concern that they remove risks, and thus encourage both domestic and foreign production. This is self-defeating and costly. That is why we have proposed a freeze on target prices at the 1983 level for the 1984 and 1985 crops.

Conclusion

In July, I hosted a unique meeting of representatives of agriculture. This summit meeting was not intended to resolve current farm questions. It was designed to begin a dialogue on the future direction of agriculture.

At the same time, we can't ignore the fact that the best dialogue comes from those who are most informed. That's where you come in. It has been said that a person's judgment cannot be better than the information on which it is based. What that really means is that as long as you keep doing your job well, we'll be able to continue doing ours. Thank you.

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Testimony

U.S. Department of Agriculture • Office of Governmental and Public Affairs

Testimony by Deputy Under Secretary of Agriculture Alan Tracy before the House Committee on Agriculture's Subcommittee on Wheat, Feedgrains and Soybeans, Oct. 4.

Mr. Chairman, members of the subcommittee, I appreciate the opportunity to discuss with you the proposals that have been announced by the commission of the European Community for reform of the community's common agricultural policy.

The EC is U.S. agriculture's largest export market and at the same time its leading competitor in the world market. With U.S. producers depending on exports for one-fourth of their marketing income, the course of EC agriculture is of prime importance to us.

We welcomed the community's intention to reform the common agricultural policy, or CAP, which relies on high, protected support prices to stimulate production, with any surpluses exported onto the world market at subsidized prices.

We are frankly disappointed with the reform package that has been proposed, and we are deeply disturbed by the two measures that would tax fats and oils and restrict access for non-grain feed ingredients.

I will tell you why, but first some background.

The reforms are part of an attempt to reduce CAP expenditures and avert an anticipated budget crisis. As matters stand, the community could reach the limit of its budgetary resources by the end of 1983 and experience serious financial problems in 1984.

The proposed reforms are meant to reduce the size of the cost overruns and possibly secure the support of certain reluctant member states for contemplated revenue increases, the main one being an increase in the proportion of EC value added tax revenue available for CAP financing. The proposals are currently under high level consideration by the member states.

These are the most important:

— The introduction of an internal quota system for milk production;

— What the EC Commission terms a "prudent and in some cases more restrictive" farm price policy, possibly including the fixing of common prices for a longer period;

— A review of existing direct aids and premiums;

— The automatic dismantling of monetary compensatory amounts (so-called MCA's) within a fixed period of time; these are special duties and subsidies on trade between member states to account for exchange rate changes;

— A coordinated export strategy, probably much like the common export policy the EC has considered in the past;

— The imposition of a consumption tax on fats and oils, other than butter;

— Restrictions on the import of non-grain feed ingredients, such as corn gluten feed and citrus pellets.

The impact of the first four proposals is confined largely to domestic EC agriculture. Of the four, the most significant is the dairy quota system. The commission is suggesting the introduction of a production quota system, based on 1981 deliveries from dairy farms and enforced by means of a supplementary levy on deliveries in excess of the 1981 total.

The suggested cuts in miscellaneous aids and premiums, if adopted by the council, could have some effect on the level of subsidization in some sectors.

The proposals on pricing policy contain very few specific guidelines. The commission recommends that EC grains prices should be aligned with world prices more quickly, but offers no timetable for the completion of the alignment. What constitutes the "prudent" or "restrictive" pricing policy recommended by the commission would apparently be left up to the council in the annual price package negotiations.

Under the proposals, MCA's would be automatically phased out within a two-year period following their introduction. The elimination of MCA's would effectively raise the level of support prices in weak currency countries, such as Italy and France, and lower the level in countries with strong currencies such as Germany.

The last three proposals affect the trading partners of the EC and bear most heavily on the United States as the leading agricultural exporter.

The proposed fats and oils consumption tax—which would apply to all fats and oils other than butter—is ostensibly designed to give added protection to community olive oil and dairy sectors and yield more revenue for support of the CAP.

The restrictions on non-grain feed ingredients—such as corn gluten feed and citrus pellets—would probably be in the form of either quotas or duty increases although we do not know the details on the EC's intentions in this regard.

The commission has likewise provided few details about the proposed new EC export strategy, but it does specifically mention the negotiation of long-term contracts with developing countries, particularly in the Middle East and North Africa.

The commission is touting the reform package as providing the following benefits: it would virtually end the existing system of unlimited price supports; it would move EC prices gradually closer to world market levels; and it would eliminate the need for export subsidies.

Not all of us are from Missouri, but none of us can be blamed for responding, "show me." We have strong doubts that the current EC reform effort will do what commission officials claim it will, and we are most concerned over two elements of the package.

They are the proposals for limitations on imports of "grain substitutes," such as corn gluten feed and citrus pellets, and a tax on vegetable oils, which together strike at U.S. exports to the community valued at nearly $5 billion last year.

The EC's tariff bindings on these products were negotiated by the U.S. in earlier trade rounds and paid for with U.S. trade concessions. Our position on these issues is well-known, and we are upset that these restrictive measures continue to be put forward.

If these proposals were to be accepted, EC restrictions on agricultural imports would then cover virtually all major products. Such a move would leave us no choice but to take appropriate counteractions to defend our legitimate trade interests.

To understand the dimensions of the EC proposals, consider this: We estimate the value of our fats and oils exports that will be affected directly or indirectly by these measures is $4.2 billion, the value of U.S. exports of non-grain feed ingredients to the EC is around $700 million. The total value of these products—about $5 billion—represents about 60 percent of total U.S. agricultural exports to the EC in 1982 and over 10 percent of U.S. farm exports to the world.

The value of our trade to the community that would be affected is more than the value of our imports from the European Community of wine, champagne, beer, cognac, cheese and Scotch whisky combined.

If the United States began to dabble in taxes and other measures that would affect those EC exports, the result would be a major storm of protest from the community, and yet, the community would have the world believe that U.S. concerns are unfounded or unreasonable.

A recent article in "Europe", the magazine of the European Community's office in Washington, implied that Secretary Block should welcome the EC's CAP reform proposals with open arms. The claim advanced, and one we are likely to hear again and again, is that these measures are an integral part of a major reform effort that will resolve all the concerns the U.S. has frequently expressed about EC overproduction in agriculture and the use of export subsidies to dispose of the resulting surpluses.

It is certainly true that the U.S. has complained for many years about EC policies that encourage overproduction—the recent printing in the Congressional Record of a letter written by Secretary of Agriculture Clifford Hardin in 1971 to EC Vice President Sicco Mansholt is testimony to that.

But it is equally true that we have never accepted the notion that the U.S. should be made to pay—in lost exports, lower prices, and higher farm budget costs—for any EC effort to get its house in order.

True, also, that the immediate impact of the proposed oils tax on U.S. exporters of oilseeds and products would be relatively minor, felt in reduced demand. But by establishing a principle of unilaterally abrogating GATT agreements, it would give the EC a foot in the door to add restriction on restriction in the years ahead with devastating results for U.S. exports.

We have been down this path before—dating right back to the inauguration of the CAP in 1962.

The purpose of the CAP was laudable—to improve the structure of agriculture and further unite the member states—and the impact on third countries was not great. At that time, the EC was largely a net importer of farm products, and its use of subsidies was limited to small shipments of wheat and dairy products.

However, under the impact of the CAP as it has been administered through the years, the EC has become a surplus producer of wheat, barley, sugar, butter, powdered milk, cheese, beef, poultry and eggs.

As a result, large-scale subsidies to dispose of more or less permanent surpluses have become a logical extension of the CAP, and the EC has become the world's number one exporter of sugar, poultry, eggs, and dairy products, and is challenging Argentina as number two in beef.

So today, little more than 20 years after the CAP was put in place, these policies are costing U.S. agriculture up to $6 billion per year in displaced trade, and this injury could reach $8 billion by 1987.

I can't emphasize too strongly that the United States absolutely rejects the idea that we should share a further burden of farm program adjustments in the community. To proceed with any action based on that premise would be a grave error by the community.

I don't want to oversimplify a complicated and important issue, but it is essential that the community understand how these proposals are being viewed in the United States. As we see the situation, the community is finally, grudgingly agreeing that some discipline must be applied to their support programs, but it now asserts that a major element of the solution is to take action against our exports.

While we have been arguing with the EC about overproduction, we have, over the same long period, time and time again been faced with new EC proposals to restrict imports.

The idea of a fats and oils tax or some other restriction has been proposed with a remarkable regularity since the birth of the CAP. Likewise, the idea of controlling imports of non-grain feed ingredients such as corn gluten feed has come up frequently in the several years since this product has gained importance in U.S. trade.

EC officials are fond of pointing out the importance of the EC as an agricultural customer for the United States, buying over $8 billion dollars last year, or almost one-third of our total farm exports, and righteously pointing to the trade deficit with the U.S. in agriculture.

These statements contain a great deal of irony in view of the EC's longstanding and continuing effort to restrict imports of the very products that have enabled us to export that much. Oilseeds and products and non-grain feed ingredients are the only major commodities not tightly controlled by variable levies—the only major commodities that move to the EC free of the protectionism that the EC pledged to avoid at the OECD and Williamsburg Summits.

The $5 billion share of the $8 billion in U.S. exports to the EC accounted for by these products represents to the EC a liberal trade "loophole" which it has repeatedly tried to close.

By way of contrast, it is useful to note that U.S. exports to the EC of products covered by variable import levies have declined steadily from $2.6 billion to about $1.5 billion over the past seven years.

As I have suggested, the EC is careful to introduce new measures clothed with good intentions and operative provisions as liberal appearing as possible, allowing the claim that the U.S. and other exporters will suffer only minimal damage.

However, with our experience with the CAP itself behind us, it takes no crystal ball to see what is just beyond the horizon once these measures are put into place and a principle is established. The next step would be to increase their restrictive effect, and this could be accomplished with the stroke of a pen.

Let me summarize for you what actions we have taken, and are taking, to convince the EC not to adopt measures that would certainly plunge U.S.-EC relations into a much deeper trough.

The administration has made two formal representations to EC Commission and member state officials. Secretary Block has written letters expressing strong concern to high level agricultural officials throughout the EC. The administration has agreed on a unified position on this issue, and ranking officials from the Departments of State, Treasury, Commerce and, of course, Agriculture will raise U.S. concerns in all appropriate bilateral meetings with community officials.

In addition, an interagency group has been directed to begin an examination of alternative U.S. responses should the EC proceed to adopt the proposals. Let me assure you that there is no disagreement that our response must be strong, concrete and immediate.

In closing, Mr. Chairman, let me express my appreciation to the committee for holding these hearings and giving the department an opportunity to express publicly its mounting concern about the momentum that apparently has developed in the community to implement trade measures of grave concern to us.

That concludes my statement. I will be glad to respond to questions.

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News Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

ADMINISTRATION SUPPORT FOR WILDERNESS EXPRESSED

WASHINGTON, Sept. 30—The Reagan Administration "fully supports the concept of wilderness as an important use of federal land," Douglas W. MacCleery, deputy assistant secretary of agriculture, said today in testimony before the Senate Subcommittee on Public Lands and Reserved Water.

"For example," MacCleery said in his testimony on the Washington Wilderness bill, "the administration supports the creation of six of the seven new wilderness areas and, with slight modifications, all of the suggested additions to existing wilderness areas proposed by Title I of this bill. This would result in the creation of 229,860 acres of new wilderness in the state."

MacCleery, who serves under USDA Assistant Secretary John B. Crowell, Jr., prefaced his testimony on the bill by "addressing the myth that this administration is anti-wilderness."

MacCleery said that since taking office the administration has expressed its support for adding 2.9 million acres of additions to national forest portion of the National Wilderness Preservation System, an area about one-half the size of New Hampshire.

He also said the wilderness situation in the state of Washington, where nearly 40 percent of the existing wilderness is composed of productive forest lands, offers convincing evidence that the often-heard contention that only "rocks and ice" at high elevations are included in wilderness is not true.

"Another myth is that all lands not designated as wilderness will be intensively managed for timber products. This is not correct,"

MacCleery said. "Much of the land classified as commercial forest on the national forests may never be intensively managed for timber. Much of this land will be managed for non-timber objectives, such as wildlife habitat, stream protection and recreation," he said.

Under existing plans, only 39 percent of the national forest system land in the state is available for timber management which is not

significantly limited by the need to achieve these other non-timber objectives, MacCleery said.

"If the administration's wilderness recommendations for Washington are adopted," MacCleery said, "it would mean about 3.6 million acres in the state would be devoted to national parks, wilderness and the Mount St. Helens National Volcanic Area.

"Only 3.3 million acres of productive national forest land would then be available for intensive timber management and other multiple-use objectives.

This makes it graphically clear that wilderness is not a scarce resource in Washington," MacCleery said. "It would be more accurate to say the federal land available for a full range of forest-based, multiple use activities is really the scarce resource and as demands for non-wilderness multiple uses of the national forests increase in the future the availability of lands for these uses will become even more limited."

#

USDA ANNOUNCES PROVISIONS OF 1983-85 NONRECOURSE SUGAR LOAN PROGRAM

WASHINGTON, Sept. 30—Secretary of Agriculture John R. Block has announced provisions of the 1983 through 1985 nonrecourse sugar loan program which goes into effect Oct. 1.

Under the program, price support will be made available to producers by means of 6-month nonnrecourse loans to eligible sugar processors at the 1983 loan rate of 17.5 cents per pound for raw cane sugar and 20.86 cents per pound for refined beet sugar. A borrower with a nonrecourse loan may turn over the loan collateral to the USDA's Commodity Credit Corporation in lieu of paying off the loan when it matures.

The 1984 and 1985 loan rates will be announced and published in the Federal Register on or before Oct. 1 of the applicable crop year.

To be eligible for the loan program, a processsor must agree to pay at least the minimum level of support for the applicable region to any producer who delivers to them sugarbeets or sugarcane for processing.

The loan program is limited to domestically-grown sugarcane or sugarbeets processed between July 1 and June 30 of the applicable crop year, Block said. The interest rate on these loans will be the rate applicable to all loans issued by CCC during the month of disbursement.

Details of the loan program—issued as an interim rule—are scheduled to appear in the Oct. 5 Federal Register and public comment is invited. The deadline for receiving comments is Dec. 5.

Comments should be sent to the director, cotton, grain and rice price support division, USDA-ASCS, P.O. Box 2415, Washington, D.C. 20013. The comments will be available for public inspection in the office of the director, room 3630, of USDA's South Building.

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USDA RELEASES COST OF FOOD AT HOME FOR AUGUST

WASHINGTON, Sept. 30—Here is the U.S. Department of Agriculture's monthly update of the weekly cost of food at home for August 1983.

	Plans			
	Thrifty	Low-cost	Moderate-cost	Liberal
Families:				
Family of 2 (20-50 years)	$35.30	$44.20	$54.60	$67.10
Family of 2 (51 years and over)	33.50	42.30	52.00	61.90
Family of 4 with preschool children	51.40	63.70	77.70	94.70
Family of 4 with elementary school children	59.00	74.80	93.60	112.10

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Individuals in four-person families:				
Children:				
1-2 years	9.30	11.20	13.00	15.60
3-5 years	10.00	12.30	15.10	18.10
6-8 years	12.30	16.20	20.30	23.70
9-11 years	14.60	18.40	23.70	27.40
Females:				
12-19 years	15.20	18.20	21.90	26.40
20-50 years	15.20	18.80	22.80	28.90
51 and over	15.10	18.20	22.40	26.60
Males:				
12-14 years	15.30	20.90	26.10	30.60
15-19 years	15.90	21.80	26.90	31.10
20-50 years	16.90	21.40	26.80	32.10
51 and over	15.40	20.30	24.90	29.70

USDA's Human Nutrition Information Service computes the cost of food at home for four food plans—thrifty, low-cost, moderate-cost and liberal.

Isabel Wolf, administrator of the Human Nutrition Information Service, said the plans consist of foods that provide well-balanced meals and snacks for a week.

USDA assumes all food is bought at the store and prepared at home. Costs do not include alcoholic beverages, pet food, soap, cigarettes, paper goods and other nonfood items bought at the store.

"USDA costs are only guides to spending," Wolf said. "Families may spend more or less, depending on such factors as where they buy their food, how carefully they plan and buy, whether some food is produced at home, what foods the family likes and how much food is prepared at home.

"Most families will find the moderate-cost or low-cost plan suitable," she said. "The thrifty plan, which USDA uses to set the coupon allotment in the food stamp program, is for families who have tighter budgets. Families with unlimited resources might use the liberal plan."

To use the chart to estimate your family's food costs:

— For members eating all meals at home—or carried from home—use the amounts show in the chart.

— For members eating some meals out, deduct 5 percent from the amount shown for each meal not eaten at home. Thus, for a person eating lunch out five days a week, subtract 25 percent, or one-fourth the cost shown.

— For guests, add 5 percent of the amount shown for the proper age group for each meal.

Costs in the second part of the chart are for individuals in four-person families. If your family has more or less than four, total the "individual" figures and make these adjustments, because larger families tend to buy and use food more economically than smaller ones:

— For a one-person family, add 20 percent.

— For a two-person family, add 10 percent.

— For a three-person family, add 5 percent.

— For a five- or six-person family, subtract 5 percent.

— For a family of seven or more, subtract 10 percent.

Details of the four family food plans are available from the Consumer Nutrition Division, Human Nutrition Information Service, USDA, Federal Building, Hyattsville, Md. 20782.

#

STATES SHARE $127 MILLION IN INTERIM NATIONAL FOREST RECEIPTS

WASHINGTON, Oct. 3—Interim payments totaling $127 million will be shared by 40 states and Puerto Rico as their parts of national forest receipts collected in fiscal year 1983, Secretary of Agriculture John R. Block said today.

"We expect the states to eventually receive $170 million as their share of national forest receipts for the year," Block said.

The interim payments represent about 75 percent of the total estimated amount due to the states from receipts collected during the year for a wide variety of national forest products and services.

"Interim funds are made available for use by the states as soon as possible following the end of the fiscal year (Sept. 30), rather than being held until final computations are made on the year's receipts," Block said. "The remainder of the funds will be made available in early December after the actual receipts for the fiscal year have been determined."

By law, 25 percent of the revenues collected by the Forest Service from timber sales, grazing, recreation, mineral and land uses on the national forests are made available to the states where the national forests are located.

The funds are to be used for schools and roads. Last year, the states received more than $133 million as their total share of these revenues.

The five states with the largest shares of interim funds are Oregon, $47.2 million; California, $22.1 million; Washington $16.7 million; Idaho, $5.2 million; and Mississippi, $4.8 million.

Interim payments being received by each state and the estimated total amounts they will receive are:

State	Interim Payment	Estimated Total Payment
Alabama	$1,456,687.51	$1,942,250.01
Alaska	807,507.75	1,076,677.00
Arizona	1,850,709.02	2,467,612.02
Arkansas	3,401,820.19	4,535,760.25
California	22,127,381.36	29,503,175.15
Colorado	1,175,857.22	1,567,809.62
Florida	2,014,500.00	2,686,000.00
Georgia	729,375.01	972,500.01
Idaho	5,226,428.76	6,968,571.68
Illinois	42,187.49	56,249.99
Indiana	128,118.76	170,825.01
Kentucky	217,273.61	289,698.14
Louisiana	2,546,437.51	3,395,250.01
Maine	10,799.82	14,399.76
Michigan	642,825.02	857,100.03

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Minnesota	1,014,656.12	1,352,874.82
Mississippi	4,790,062.52	6,386,750.02
Missouri	1,156,406.28	1,541,875.04
Montana	3,043,777.46	4,058,369.94
Nebraska	28,996.88	38,662.50
Nevada	158,966.30	211,955.07
New Hampshire	161,175.27	214,900.36
New Mexico	852,177.88	1,136,237.17
North Carolina	719,621.05	959,494.73
North Dakota	41.80	55.73
Ohio	61,293.76	81,725.01
Oklahoma	439,679.84	586,239.79
Oregon	47,194,440.98	62,925,921.30
Pennsylvania	1,205,793.76	1,607,725.01
South Carolina	2,156,062.52	2,874,750.02
South Dakota	325,839.71	434,452.94
Tennessee	257,726.50	343,635.33
Texas	2,741,816.84	3,655,755.78
Utah	468,725.21	624,966.95
Vermont	72,956.28	97,275.04
Virginia	403,135.45	537,513.93
Washington	16,720,047.63	22,293,396.84
West Virginia	222,396,38	296,528.51
Wisconsin	354,825.01	473,100.01
Wyoming	497,757.15	663,676.20
Puerto Rico	9,562.52	12,750.02
Total	$127,435,850.13	$169,914,466.74

CCC LOAN INTEREST RATE LOWERED TO 10-3/8 PERCENT

WASHINGTON, Oct. 3—Commodity and farm storage loans disbursed in October by the U.S. Department of Agriculture's Commodity Credit Corporation will carry a 10-3/8 percent interest rate, according to CCC Executive Vice President Everett Rank.

The new rate, down from 10-1/2 percent, reflects the interest rate charged CCC by the U.S. Treasury in October, Rank said.

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USDA REPORTS ON STATUS OF COMMODITIES IN FARMER-OWNED RESERVE

WASHINGTON, Oct. 4—Corn and oats in all farmer-owned grain reserves and sorghum entered in the reserve from Oct. 6, 1981 through June 30, 1982 will remain in release status through Oct. 31, according to a U.S. Department of Agriculture official.

Everett Rank, administrator of USDA's Agricultural Stabilization and Conservation Service, said the decision on the three reserve commodities was made following a review by USDA's Commodity Credit Corporation of their average market prices Oct. 3, as reported by USDA's Agricultural Marketing Service, adjusted to reflect the market price received by farmers.

On Oct. 3, the adjusted price for corn was $3.39 per bushel, above the release levels for reserves IV and V of $3.15 and $3.25, respectively. The adjusted price for sorghum was $5.41, above the reserve IV release level of $5.36. Oats had an adjusted price of $1.65 per bushel, the same as the reserve release level.

Data used by CCC include daily prices compiled by the Agricultural Marketing Service, as well as the month-end report of prices received by farmers issued by USDA's Statistical Reporting Service. This end-of-month report shows the previous month's average price and the current mid-month price.

Daily markets reviewed by CCC are Kansas City, Minneapolis, Omaha and St. Louis for corn; Kansas City and Texas High Plains for sorghum and Minneapolis for oats.

Storage payments for reserve corn and reserve IV sorghum will remain stopped through Oct. 31 and interest will be charged on all of the loans.

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USDA ANNOUNCES P.L. 480 COUNTRY, COMMODITY ALLOCATIONS FOR FY 1984

WASHINGTON, Oct. 6—The U.S. Department of Agriculture today released tentative fiscal 1984 food assistance allocations of $738.5 million—by country and commodity—under Title I/III of Public Law 480, the Food for Peace Program.

According to Deputy Under Secretary of Agriculture Alan Tracy, the allocations are part of a planned $791 million in commodity assistance for FY 1984. Tracy said 31 countries presently are scheduled to receive approximately 3.6 million metric tons (grain equivalent) of food assistance.

The four largest allocations are scheduled for Egypt, $250 million; Bangladesh, $65 million, Pakistan, $50 million, and Sudan, $50 million.

Tracy said the $52.5 million not yet allocated has been set aside as a reserve to furnish commodities for unforeseen needs during the remainder of the fiscal year.

He said the initial allocations were designed to meet the requirement of Section III of the P.L. 480 Act, which directs that not less than 75 percent of food aid commodities be allocated to friendly countries that meet the International Development Association poverty criterion. The countries in this category are those with an annual per capita gross national product of $795 or less.

Tracy also said approximately 15 percent of the value of the Title I allocations identified today would be used to finance Title III food for development programs.

Tracy said the program takes into account many variations including commodity and budget availabilities; changing economic and foreign policy situations, including human rights assessments; potential for market development; fluctuations in commodity prices; availability of handling, storage and distribution facilities; and possible disincentives to local production.

Since situations may develop which could cause a change in country and commodity allocations during the fiscal year, the initial allocations represent neither final U.S. commitments nor agreements with participating governments, although a number of Title I/III agreements are expected to be signed shortly.

Title I of P.L. 480 is a concessional sales program designed to promote exports of agricultural commodities from the United States and to foster economic development in recipient countries. The program provides loans of up to 40 years, with a grace period of up to 10 years and low interest rates.

Title III provides for the forgiveness of the debt incurred under Title I, based on accomplishments in food for development programs and projects agreed upon by the United States and recipient countries.

Additional technical information on the P.L. 480 program is available from Mary Chambliss of USDA's Foreign Agricultural Service, (202) 447-3573.

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DIVERTED ACREAGE NO BAR TO A COUNTY'S EMERGENCY LOAN ELIGIBILITY

WASHINGTON, Oct. 6—Unplanted farm acreage will not be counted as part of a county's production when damage assessments are made to determine eligibility for disaster emergency loan designation.

Charles W. Shuman, administrator of the U.S. Department of Agriculture's Farmers Home Administration, today said only land actually in production this crop year will be counted when deciding whether a county suffered a 30-percent loss of crops to the summer's drought and searing heat.

Part of the criteria for naming a county eligible for the emergency loans is a finding by the secretary of agriculture that a natural disaster has occurred.

Guidelines used in making this determination are: production losses of at least 30 percent of the normal year's dollar value of all crops grown countywide (general or multi-enterprise farming) or at least 30 percent of the normal year's dollar value of a single farming enterprise countywide (one or more similar-type crops).

"The unplanted acreage referred to here is land not planted under the payment-in-kind program and land set aside under the previously existing conservation reserve program," Shuman said.

"We are required to consider whether the actual farming or ranching operations in a county have been substantially affected by a natural disaster in deciding whether the county is eligible for loan assistance."

After a county is designated, farmers who have suffered more than 30 percent damage due to the dry weather may be eligible to borrow up to 80 percent of their losses not exceeding $500,000 or the loan amount needed. Acres contracted in the PIK program will be treated as having produced a normal crop.

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FARMER COOPERATIVE BUSINESS VOLUME AND MARGINS DECLINE IN 1982

WASHINGTON, Oct. 6—Business volume of the nation's farmer cooperatives declined 3.3 percent and net margins dropped 40.7 percent in 1982, a U.S. Department of Agriculture official said today.

Randall E. Torgerson, administrator of USDA's Agricultural Cooperative Service, said combined sales were $69.2 billion, compared with the record $71.5 billion in 1981. Net margins were $854 million, compared with $1.4 billion in 1981 and $1.9 billion in 1980.

— The number of cooperatives and memberships continued a longstanding downward trend.

Total cooperative business volume includes marketing—the value of products sold; farm supplies—sales of fertilizer, chemicals, fuels, feed and other supplies to members and patrons; and receipts from related services such as trucking, storage, ginning and drying.

Torgerson said the drop in number of cooperatives—from 6,211 to 6,125—was the result of cooperatives reorganizing—mergers, consolidations, acquisitions—and going out of business.

Memberships of 5.1 million were down 3.7 percent from 5.3 million in 1981. Memberships are higher than farm numbers because many farmers belong to more than one cooperative. Membership per association averaged 838, compared with 860 for 1981.

Marketing volume, at $51.4 billion, was down 3.5 percent from the $53.3 billion in 1981.

Grain, the leading farm product, dropped to $18.2 billion, a 7.8 percent decline. But dairy, the second biggest product, increased to $15.8 billion, up 4.8 percent.

Volume of several other farm products rose or dropped more dramatically. Those declining were: wool and mohair, down 56.4 percent; sugar, down 21 percent, poultry, down 18.4 percent; cotton, down 17.5 percent. Tobacco was the biggest gainer, up 23.3 percent.

Farm supply volume, was $16.4 billion, down 4.1 percent from 1981.

Farm chemicals was the only farm supply gainer, up 4.8 percent. Petroleum products, the leading farm supply, dropped 2.5 percent. Declines were greater for other commodities: meats and groceries, down 31.7 percent; containers, down 19.3 percent; farm machinery and equipment, down 9.7 percent; fertilizer, down 7.3 percent; feed, down 5.4 percent; and seed, down 3.5 percent.

Value of other services related to farm business rose to $1.4 billion, a 17.1-percent increase over the $1.2 billion in 1981.

Farmer cooperative assets, eliminating intercooperative investments, totaled $25.8 billion, a 1.7-percent drop from $26.3 billion in 1981.

Total liabilities dropped from $17.9 billion to $17.4 billion, down 2.9 percent.

Net worth, or member and patron equity, increased 2.2 percent, from $10.9 billion to $11.2 billion. The proportion of total assets financed by equity increased from 37.9 to 39.1 percent.

1982 Business Volume of Farmer Cooperatives[1]

Components	Cooperatives Handling[2]	Business Volume[3]
	Number	$1,000
Products marketed:		
Beans and peas (dry edible)	60	133,285
Cotton and cotton products	476	1,732,725
Dairy products	451	15,776,154
Fruits and vegetables	384	4,501,216
Grain, soybeans, soybean meal and oil	2,362	18,233,654
Livestock and livestock products	429	5,193,877
Nuts	50	701,679
Poultry products	70	944,365
Rice	57	1,128,916
Sugar products	48	1,519,466
Tobacco	35	581,894
Wool and mohair	190	15,481
Miscellaneous	112	931,114
Total farm products	[4]	4,279
Supplies purchased:		
Building materials	2,057	428,652
Containers	658	68,332
Farm chemicals	3,627	1,335,974
Farm machinery and equipment	1,805	341,784
Feed	3,553	3,340,991
Fertilizer	3,732	3,406,809
Meats and groceries	482	111,576
Petroleum products	2,871	5,502,480
Seed	3,550	554,917
Other supplies	4,269	1,270,609
Total farm supplies	[4]	4,952

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Receipts for services:[5]		
Trucking, cotton ginning, storage, grinding, locker plants, miscellaneous[4]	4,608	1,394,386
Total	6,125	69,150,336

[1]Preliminary.
[2]Due to sampling procedures used in 1981 and 1982, the numbers are estimates derived from 1980 survey results.
[3]Volume excludes intercooperative business.
[4]Adjusted for duplication arising from multiple activities performed by many cooperatives. Inactive cooperatives are excluded.
[5]Charges for services related to marketing or purchasing but not included in the volume reported for these activities.

1982 Farmer Cooperative Numbers and Memberships[1]

Principal Product Marketed or Major Function	Cooperatives[2] Number	Membership Number
Products marketed:		
Beans and peas (dry edible)	13	4,100
Cotton and cotton products	437	105,813
Dairy products	427	167,691
Fruits and vegetables	362	64,972
Grain, soybeans, soybean meal and oil	1,729	1,125,639
Livestock and livestock products	370	364,240
Nuts	18	43,792
Poultry products	21	186,874
Rice	54	29,909
Sugar products	46	12,395
Tobacco	33	276,604

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Wool and mohair	169	57,301
Miscellaneous	35	4,995
Total farm products	3,714	2,444,325
Total farm supplies	2,299	2,666,375
Total services	112	25,074
Total	6,125	5,135,774

[1]Preliminary.
[2]Many cooperatives are multiproduct and multifunctional in operations and are classified according to predominant commodity or function indicated by business volume.

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FINDINGS OF TASK FORCE ON BLACK FARMERS REVIEWED

WASHINGTON, Oct. 7—Secretary of Agriculture John R. Block today directed U.S. Department of Agriculture agency administrators to provide, within 30 days, proposals for changes in policies and programs to address the special problems of black farmers.

Block issued the directive after reviewing findings of a task force he appointed earlier this year to review the matter. The task force consisted of senior department officials and agency experts.

"USDA has a responsibility to serve all farmers in this nation," Block said. "This means all of our policies and programs should be designed to not interfere with any farmer's access to USDA programs or services. If there are unintentional roadblocks to meeting this responsibility, then we need to take corrective action."

In an overview of its recommendations, the task force reported that "overcoming the special problems of black farmers will require both education and outreach."

The task force was appointed in response to concerns raised in a February 1982 report of the U.S. Commission on Civil Rights.

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